

National
Foreign
Assessment
Center

~~Secret~~

(b)(3)
(b)(1)

Current Intelligence Weekly Summary

24 March 1978

APPROVED FOR RELEASE -
CIA INFO DATE: 09-Oct-2009

~~Secret~~
CG CIRS 78-07
24 March 1978

CGI NO 000

~~SECRET~~

INDONESIA

Indonesian President Suharto was re-elected to a third five-year term on 22 March by a proforma unanimous vote of the National Assembly.

Suharto and his military colleagues have ruled the country since the abortive Communist coup attempt in 1965, and there is no immediate challenge to the Army's continuing in power. The election

nevertheless occurred against a background of heightened tensions and increasingly open student criticism of military rule in general and Suharto's toleration of corruption in particular, especially within his own family. Suharto's religious policies and certain economic problems—poor agricultural performance, unemployment, and a possible widening income gap between the rich and the poor—could also contribute to the President's vulnerability.

Students at almost all major universities have been engaged in disruptive strikes and demonstrations since last fall. The President's decision in January to arrest demonstrating students and prevent newspapers from reporting their activities may have been counterproductive. High school students recently joined the ranks of student demonstrators, and the government deemed it necessary to close several educational institutions. Two days before the election, a small terrorist group succeeded in setting off an explosion in the National Assembly building.

The President was also embarrassed by the decision of Vice President Sultan Hamengku Buwono not to stand with

Suharto for reelection. The Sultan is a respected civilian whose status gave a democratic appearance to the authoritarian government.

Buwono's departure from the ticket may have caused disagreement between Suharto and some of his high-level military advisers who did not approve of the President's choice for a replacement—former Foreign Minister and now Parliament Chairman Adam Malik. Malik is a well-known civilian who will lend balance to the ticket, but he has a history of disagreeing with government policy—occasionally in public—and some of the generals find him too outspoken and independent.

The President's insistence on obtaining recognition of mysticism as an official religion, moreover, has alienated many orthodox Muslims. This week it prompted the Muslim-dominated opposition party to break with the traditional display of assembly unity by voting against government policies and staging a walkout. The unprecedented move may embolden the opposition to challenge Suharto in parliament more often in the future.

~~SECRET~~